



# Appropriations Update

Committee on the Budget • Majority Caucus  
U.S. House of Representatives  
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## TRANSPORTATION-TREASURY APPROPRIATIONS BILL FOR FISCAL YEAR 2004 – H.R. 2989

### SUMMARY

The Transportation-Treasury appropriations bill reported to the House on 30 July 2003 (H.R. 2989; H.Rept. 108-243) provides new budget authority \$1 million below the

302(b) suballocation for the Transportation-Treasury subcommittee. The bill complies with the requirements of the Congressional Budget Act.

### COST OF THE LEGISLATION

H.R. 2989 provides \$27.501 billion in new budget authority [BA] and \$71.358 billion in outlays for fiscal year 2004 – a reduction of \$758 million in BA and an increase of \$2.085 billion in outlays from fiscal year 2003 (see Table 1 on the next page). Outlays continue to increase, despite a reduction in appropriations of new BA, because outlays are still flowing from the significant increases in transportation spending that have occurred over the past several years. Despite providing for a year-over-year reduction in budget authority of 2.7 percent, the bill provides \$39 million more BA than was requested by the President in his budget.

Outlays are 2½ times as large as budget authority in this bill. This is because outlays for certain highway and transit programs – principally the Federal-aid highways program – are classified as discretionary, while the BA is classified as mandatory. The spending from the mandatory BA typically is constrained by a special mechanism called an “obligation limitation.” (The combination of mandatory budget authority and obligation limitations is necessary in transportation because most transportation programs involve capital spending that runs over several years. To manage the year-by-year obligations requires a special method of applying spending limits.)

This bill contains obligations limitations totaling \$39.916 billion, of which \$33.385 billion is for the Federal-aid highways program, and \$5.807 is for transit formula grants. The \$39.916-billion total is \$232 million above the amount envisioned by the budget resolution; but there is no procedural prohibition for exceeding this limit.

Due to the creation of the Department of Homeland Security, and a reorganization of Appropriations subcommittee responsibilities, this bill is largely new, combining appropriations for many agencies that were once part of the Treasury-Postal Service and Transportation bills. Some of those agencies (such as the Transportation Security Administration) now are funded in the Homeland Security appropriations bill. These changes make it difficult to provide a comparison of average annual growth rates for 2000-04, as other *Appropriations Updates* have done.

The bill does not contain emergency-designated new BA, but does include \$137 million worth of rescissions of previously enacted BA for Federal aid-highways, with no related outlays. The bill provides an advance appropriation of \$37 million in BA for fiscal year 2005 – discussed in more detail below.

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**Table 1: Transportation-Treasury Appropriations Bill**  
(fiscal years; millions of dollars)

	2003 Spending <sup>a</sup>	Administration 2004	302 (b) for 2004	Bill
Budget Authority	28,259	27,462	27,502	27,501
Outlays	69,273	70,770	71,360	71,358
<sup>a</sup> Does not include \$25 million in BA (with no related outlays) included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).				

## COMPLIANCE WITH THE BUDGET RESOLUTION

The bill complies with sections 302(f) and 311(a) of the Budget Act. The first of these prohibits consideration of bills that exceed a subcommittee's 302(b) suballocation of new budget authority. The second prohibits consideration of legislation that exceeds the aggregate levels of BA and outlays established in the budget resolution.

The \$27.501 billion in new discretionary BA is \$1 million under the suballocation for the Subcommittee on Transportation, Treasury, and Independent Agencies; outlays are \$2 million under the allocation. Because no appropriations bills for fiscal year 2004 have been enacted, there is ample room under the budget authority ceiling and hence the bill would not violate section 311(a).

The bill provides \$37 million in fiscal year 2005 BA for the Postal Service. (This was requested by the administration for free mail for the blind and overseas voters.) If all appropriations bills reported to the House were enacted consistent with the latest legislative action in the House, the bill would cause a breach of the limit in section 501 of the budget resolution. That section limits the programs for which advance appropriations may be provided, and also limits the total amount of such advances to \$23.158 billion. Because the test of whether the advances in a bill cause a breach is measured against previously enacted advances (a so-called "current level" test) – and not all the bills containing advances have been enacted – this excess in reported bills does not cause a breach of the limit.

## DISCUSSION

### Comparison to 2003

The bill provides a net \$758 million lower discretionary BA than was available in the prior year (see Table 2, next page). But obligation limitations for transportation programs are \$1.979 billion above the levels enacted for 2003.

Declines in spending, compared with 2003, are found in the following programs:

- *Election Reform, \$1.015 billion:* Spending declines from \$1.5 billion in 2003 to \$500 million in 2004, as requested by the President.
- *Federal Highway Administration, \$297 million:* Spending declines for the Appalachian development highway system (\$187 million) and miscellaneous highway trust funds (\$373 million) – partly offset by a net increase in Federal-aid highways (\$263 million).
- *Federal Railroad Administration, \$173 million:* Spending declines by a net \$173 million due to reductions in Amtrak (\$143 million), Penn Station redevelopment (\$20 million), Alaska railroad development (\$22 million), and other activities (\$3 million). These reductions are partly offset by an increase in safety and operations (\$15 million).
- *Federal Transit Administration, \$12 million:* Transit spending declines largely due to a reduction in capital investment grants (\$84 million). The reduction is partly offset by increases in formula grants (\$55 million), and job access and reverse commute grants (\$17 million).
- *Treasury Department, \$99 million:* This net reduction in Treasury spending is due to the transfer of Interagency Law Enforcement (\$107 million) to the Commerce, Justice, State appropriations bill, and a reduction in the Bureau of Public Debt (\$15 million). These are offset

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by a net increase in other Treasury spending of \$23 million.

Administration [GSA] due in large part to a \$297 million reduction in the Federal Building Fund.

- *Other \$257 million:* The reduction in other spending includes \$305 million for the General Services
- *Executive Office of the President, \$3 million:* The office is reduced by this amount compared with 2003.

**Table 2: Discretionary Spending in the Transportation-Treasury Appropriations Bill**  
(in millions of dollars)

	2003 Budget Authority <sup>a</sup>	2003 Outlays <sup>a</sup>	2004 Budget Authority	2004 Outlays	Difference BA	Difference Outlays
<b>Transportation</b>						
Federal Aviation Administration	10,112	13,327	10,540	13,761	428	434
Federal Highway Administration	560	31,673	263	32,443	-297	770
Federal Transit Administration	1,436	8,186	1,424	8,222	-12	36
Federal Motor Carrier Safety Administration	0	341	47	463	47	122
National Highway Traffic Safety Admin	138	420	138	428	0	8
Federal Railroad Administration	1,260	1,308	1,087	1,144	-173	-164
Other Transportation	486	503	587	626	101	123
<b>Treasury</b>						
Internal Revenue Service	9,834	9,708	10,352	10,231	518	523
Other Treasury Department	1,023	1,579	924	1,129	-99	-450
<b>Other</b>						
Executive Office of the President	282	310	279	286	-3	-24
Office of Personnel Management	263	258	267	264	4	6
Election Reform	1,515	538	500	1,230	-1,015	692
Other	1,350	1,122	1,093	1,131	-257	9
<b>Total</b>	<b>28,259</b>	<b>69,273</b>	<b>27,501</b>	<b>71,358</b>	<b>-758</b>	<b>2,085</b>

<sup>a</sup> Does not include \$25 million in BA (with no related outlays) included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

The net reductions above are offset by the following increases relative to 2003:

- *Internal Revenue Service [IRS], \$518 million:* Spending increases include processing, assistance and management (\$108 million), tax law enforcement (\$265 million), Earned Income Tax Credit compliance (\$106 million), business system modernization (\$66 million), and information systems (\$8 million). These increases are partly offset by a reduction in the health insurance tax credit administration (\$35 million).
- *Federal Aviation Administration [FAA], \$428 million:* Spending increases by a net of \$428 million due to an increase in operations (\$513 million), which is partly offset by reductions in facilities and equipment (\$42 million), research, engineering and development (\$39 million), and other activities (\$4 million).
- *Other Transportation, \$101 million:* Spending increases are included for the Office of the Secretary (\$66 million, due in large part to \$45 million for a new headquarters building), the Maritime Administration

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(\$14 million), the Inspector General (\$10 million), the Research and Special Programs Administration (\$7 million), and other activities (\$4 million).

- *Federal Motor Carrier Safety Administration, \$47 million:* Spending increases by \$47 million for the construction of border truck safety inspection stations.
- *Office of Personnel Management, \$4 million:* This is the total increase compared with 2003.

### Comparison to the President's Request

The bill provides a net of \$39 million more than the President's request. Increases relative to the request are provided for the following:

- *Federal Highway Administration, \$263 million:* The bill provides \$263 million more than requested by the President for Federal-aid highways.
- *Federal Transit Administration, \$134 million:* Spending is \$134 million more than requested by the President.
- *Federal Motor Carrier Safety Administration, \$47 million:* Spending increases by \$47 million over the President's request for the construction of border truck safety inspection stations.
- *Other spending, \$81 million:* Other spending is \$81 million more than requested by the President for the National Highway Traffic Safety Administration (\$8 million), the Department of the Treasury (\$15 million), other independent agencies (\$21 million) and other transportation (\$37 million).
- *Allowances, \$340 million:* The bill does not contain a proposal to repeal a provision that distributes duties assessed pursuant to countervailing and "anti-dumping"

duty orders to affected domestic producers, such as lumber. This proposal was a change in a mandatory program; such programs are not subject to annual appropriations but can provide savings that offset discretionary spending when changes to them are included in an appropriations bill.

Those increases relative to the President's request are offset by reductions in the following:

- *Office of Personnel Management, \$504 million:* The bill provides \$3 million of the \$500 million requested by the President for the human capital performance fund.
- *General Services Administration, \$146 million:* The bill provides less funding than requested by the President largely due to reduced funds for the Federal Building Fund (\$78 million) and the E-government fund (\$44 million).
- *Internal Revenue Service, \$85 million:* Spending reductions include information systems (\$41 million), processing, assistance and management (\$37 million), and tax law enforcement (\$7 million).
- *Federal Aviation Administration, \$67 million:* The bill provides reduced funding for operations (\$59 million) and facilities and equipment (\$16 million), partly offset by an increase of \$8 million for research, engineering and development.
- *Executive Office of the President \$14 million:* The bill provides \$14 million less in funding for the Office of Management and Budget.
- *Other, \$10 million:* Other reductions include transportation Research and Special Programs (\$7 million), Federal Railroad Administration (\$2 million) and other (\$1 million).

### OTHER BUDGET RELATED ISSUES

#### *Prohibitions on Office of Management and Budget*

For the third year, the bill prohibits using funds appropriated in the bill to pay the salary or expenses of any employee of the Office of Management and Budget [OMB] who

calculates, prepares, or approves any material that proposes the suballocation of budget authority or outlays by the Appropriations Committee among its subcommittees after the submission of the President's budget. The administration has objected to such language in prior years.

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